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ABSTRACT

Education must address two critical needs of New York State's economic growth: the need to enhance the quality of the labor force and the need to promote technological innovation. The economy of New York has been shifting since the 1970's away from manufacturing and toward services and jobs involving advanced technology. Schools need to upgrade instruction in foundation skills, occupational skills, and professional preparation. The social functions of education must also keep pace with changes in society. Current programs promoting economic growth in New York include the Centers for Advanced Technology, the Industrial Innovation Extension Service, the Regional Centers for Economic Development, various employment and occupational training programs, Tuition Assistance for Dislocated Workers, the Hiring Incentive Program for the Disabled, and training for community college employees. The schools' effectiveness will also be enhanced by several state programs supporting teacher training, educational quality, computer education, literacy, employment preparation, cultural education, dropout prevention, community renewal, scientific and technological education, partnerships with business, scholarships, and other forms of school support. The Task Force on Education and Economic Development of the Regents of the University of the State of New York will continue to develop and support programs encouraging education for economic development. (PGD)

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Education, Key to Economic Growth

Recent Major Education Initiatives in Support of Economic Development in New York State

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The University of the State of New York/THE STATE EDUCATION DEPARTMENT
Albany, New York 12234

September 1986

EA 018 750

EDUCATION: KEY TO ECONOMIC GROWTH

Recent Major Education Initiatives
in Support of Economic Development
in New York State

This report reviews recent transformations in the economy, highlights recent program initiatives in support of economic development, and outlines next steps in addressing issues related to the education foundation of economic development.

The University of the State of New York
THE STATE EDUCATION DEPARTMENT
Albany, New York 12234
September 1986

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FOREWORD

During the past year, the Board of Regents and the State Education Department, the Legislature, and the Governor have undertaken a number of actions that will continue to enhance the quality of educational programs and support the economic development of the State. Foremost among these actions are:

- Implementation of the Regents Action Plan for the Improvement of Elementary and Secondary Education, a comprehensive set of measures to improve the quality of the State's educational programs. Concurrent development of School Improvement Plans to improve school performance and meet new requirements;
- Continued efforts to strengthen education through the largest increase in State aid to schools in New York's history, $650 million, for a total of $6.6 billion. This increase raised the State share of education expenditures from 42 to 44 percent;
- Investments totaling $95 million statewide to increase teacher salaries; and
- Support for higher education amounting to $2.98 billion, representing an increase of $131.4 million over last year.

This report is an update of the 1985 report, "Education, Key to Economic Growth," that described new major education initiatives in support of economic development in New York State. It was prepared at the request of the Regents Task Force on Education and Economic Development in order to take stock of recent actions of the educational system that promote economic growth in the State, to give direction to the deliberations of the Task Force, and to provide a framework for new initiatives in support of the State's economy.

The 1986 report sketches the major transformations taking place in New York State's economy, and reviews the role of educational institutions in upgrading standards, retraining the State's labor force, and providing information and research services. It also describes initiatives that directly impact on the availability of a skilled workforce, and activities that contribute to the long-term economic health of our State. Finally, the report outlines future steps to be taken by the Regents Task Force includ-

ing the Department's contribution to the Governor's 1987–88 economic development program, joint activities with the Business Council, research on the economics of education in New York State, and a review of educational models that target resources to economically distressed communities.

Gordon M. Ambach

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EDUCATION: KEY TO ECONOMIC GROWTH

Recent Major Education Initiatives in Support of Economic Development in New York State

Continuing structural change in the national economy and intense competition from foreign countries and other states present new challenges to New York as the State economy continues to improve through the late 1980's. Our ability to further stimulate economic growth and to retain business and industry within the State is challenged by the advance of new technology and the ensuing need for a trained work force. Education has a major responsibility in addressing two critical needs of economic growth: the need to enhance the quality of the labor force, and the need to promote technological innovation. Partnerships among educational institutions, businesses, government and labor unions are essential to address these needs.

I. Background

The decade of the 1970's was a period of economic decline for New York State. The State suffered a population loss, and dropped in personal wealth ranking from 9th to 32nd in the nation. The decade saw only a minimal increase of 51 thousand new jobs, while the rest of the country generated 19 million nonfarm positions.

The 1980's have been a period of recovery. The State population has grown by 177,000 and total employment has exceeded 7.9 million between 1980 and 1986. In May 1986, there were 699,000 more jobs in New York State than in 1980; in fact, New York State was only second to California in the net number of jobs gained. The unemployment rate was 6.7 percent in January 1986, whereas the United States average was 7.3 percent. Per capita personal income continued to grow faster in New York than in the United States as a whole: between 1980 and 1984 the State average increased from $10,042 to $14,121, while the national average increased from $9,494 to $12,707.

The period from 1970 to 1986 in general has been one of dramatic change in the labor profile impelled by technological and market forces

transforming the economy. Though some sectors have remained relatively stable, the economy as a whole is characterized by a shift from manufacturing to services and the production of high technology goods; the rapid growth of producer and information services; the growth of small businesses; and the increased role of automation in production. These changes have had a twofold impact on the State's employment patterns:

- A decline in blue collar jobs due to technological change:
  - In May 1986, there were 1.3 million manufacturing jobs compared to 1.8 million jobs in 1970. This represents a 496,000 or 28 percent decrease in manufacturing jobs.
  - In 1940, there were 300 manufacturing jobs for every 100 service positions. In 1960, there were 192 manufacturing jobs for every 100 service positions. In 1985, there were 65 manufacturing jobs for every 100 service positions.
- A significant growth in services, wholesale and retail sales, and finance, insurance and real estate:
  - In May 1986 there were 2.1 million jobs in the service sector, compared to 1.4 million jobs in 1970, an increase of close to 770,000 jobs, or 56 percent.
  - In May 1986, there were 1.7 million jobs in the wholesale and retail trade sector, compared to 1.4 million jobs in 1970. This represents an increase of 15 percent or 209 thousand jobs during that time.
  - In May 1986, there were 737,000 jobs in the finance, insurance and real estate sector, compared to 592,000 in 1970. Employment increased by 25 percent or 145,000 jobs.
  - In 1950, 17 percent of the State's work force was engaged in information-related work, compared to 56 percent in 1983. In 1990, an estimated 65 percent of the work force will be so occupied.

II. Implications of a Changing Economy

In any kind of economy, education is a key factor in increasing the rate and scope of economic growth. Within the context of an increasingly technological and competitive environment, education is essential not

only for getting a job but also to ensure advancement beyond lower-level, minimum salaried employment. Education must continue to support economic growth by developing strategies, that enhance the quality of the labor force and promote technological innovation.

In response to the need to strengthen human resources for economic growth, education throughout the State will need to upgrade the following kinds of instruction:

- Foundation skills (literacy, computing) and liberal arts, for flexibility and adaptability required to keep up with rapid changes in a technological society;
- Occupational skills (training and retraining needed to use the latest advances in knowledge and technology) and career education, for greater familiarity with the work place, preferably through contact with business people and environments that give youth and adults a more realistic picture of business needs;
- Professional preparation (medicine, engineering, teachers, etc.).

In order for individuals to attain the skills required for any kind of meaningful participation in the marketplace, increased efforts have to be undertaken to keep students in school. The consequences of dropping out of school are significant, not only for the individual, but also for society. Unless students have the basic skills necessary for getting and keeping a job, improved economic conditions will have little or no impact on their employment opportunities. Without the existence of a skilled work force, the State will not be able to develop a highly productive and competitive economy.

With this in mind, schools must develop strategies that address social and economic conditions that frequently prevail in neighborhoods characterized by absenteeism, dropping out, and antischool behavior. Such efforts when developed in conjunction with economic development strategies, such as the New York State Economic Development Zones Program, would assist in the economic recovery of distressed communities. Promotion of education, career counseling, training, and job placement for at-risk populations not only support economic growth, but also provide opportunities for individuals to achieve a measure of self-sufficiency, thereby diminishing the need for welfare and related expenditures.

The research capabilities of the State's educational institutions are a key resource to business. Access by business and industry to university

research centers will maximize opportunities for the application of new technologies to increase productivity. The urgency of this issue has come to national attention, as reflected in recent reports that stress the importance of education for the economic well-being of the nation. Likewise, increased collaboration between business and industry with university research centers will enhance our ability to develop new marketable technologies.

III. Efforts in Progress, 1986–87

In line with these developments, the Board of Regents of The University of the State of New York have been actively designing and implementing plans with businesses for improving the State's human resources to better meet the needs of industry and society.

In September 1983, the Regents adopted a policy statement on the "Role of Education in Support of New York State's Economic Development." The report summarizes educational policies to be implemented over the next decade to support the State's economic growth. The Regents Task Force on Education and Economic Development was created to assist in implementing the goals outlined in their policy statement, to coordinate educational programs supporting economic development, and to generate new recommendations for Regents consideration.

Numerous specific programs which carry out the Regents policy are already in existence:

Centers for Advanced Technology. The seven Centers for Advanced Technology (CATs), designated by the Science and Technology Foundation, exemplify a partnership relationship among business and industry, government, and educational institutions. The role of the CATS is to stimulate the transfer of applied research and technology to industry. The Centers now in existence are located at the following major research universities: Columbia University (Computers and Information Systems), Cornell University (Biotechnology and Agriculture), Polytechnic Institute of New York (Telecommunications), University of Rochester (Optics Technology), State University of New York at Stony Brook (Medical Diagnosis and Therapy), State University of New York at Buffalo (Health Care Instruments and Devices), and Syracuse University (Computer and Software Applications). Outreach to other educational institutions is made with a view to keeping them abreast of the latest technologies. A State

appropriation of $9.7 million, a $2.7 million increase from 1985–86, is available to support the Centers during 1986–87. An appropriation of $1.0 million was made available for services and expenses related to the development and construction of the SUNY Buffalo High Technology Incubator Project, and another $875,000 in planning and program development to assist two universities qualify as new CATS in two specified fields of advanced materials research (ceramics and alloid and surface science). State funds in the amount of $5 million have been provided for each of the technology related facilities at Syracuse, Columbia and Cornell universities, $1 million for Clarkson University; and $500,000 for Alfred University.

Industrial Innovation Extension Service. This year $500,000 was again provided for the continuation of the Industrial Innovation Extension Service. As part of this program, the Science and Technology Foundation will contract with development organizations in Western New York and New York City, and with Cornell University, to act as bases for regional extension agents. These agents will reach out to small and mid-size manufacturing firms with a view to providing advice on ways in which technology can improve productivity and brokering services.

Regional Education Centers for Economic Development. Ten Regional Education Centers for Economic Development were created in 1983 to coordinate new occupational and continuing education programs and to mount training programs tailored to specific employers. The Centers are located in each of the State's 10 Economic Development regions designated by the Department of Commerce. The Centers design customized training programs with a view to attracting and retaining companies, assisting companies with training needs associated with technological changes, especially small businesses with start-up or growth-related training needs. They provide a central point of contact for employers, economic developers, chambers of commerce and regional offices of the Department of Commerce regarding the design and development of customized training programs for employers. The employer-specific and entrepreneurship training programs are operated through the Centers. Support for the Regional Centers is provided through $1.0 million in Vocational Education Act funds and $350,000 in Job Training Partnership Act funds.

Employer-Specific Training. Approximately $1.25 million of Vocational Education Act (VEA) funds are available to support employer-specific training programs during 1986–87. Over the past three years, the State

Education Department has allocated funds for this purpose from three additional sources: $724,000 from the State Education Coordination and Grants program of the Job Training Partnership Act, (youth and adult programs); $2.2 million from the federal Title III program of the Job Training Partnership Act (training of dislocated workers); and $4.4 million from the New York State Teacher Summer Business Training and Employment Program. During 1984–85, the Regional Centers developed 447 employer-specific training projects, serving more than 31,000 trainees. It is anticipated that through 1986, close to 500 projects will serve 35,000 trainees. An increase of approximately 100 projects is expected for 1986–87. Funds for employer-specific skills grants were increased during the 1986 Legislative session by $2.0 million. These programs are operated through the Regional Centers for Economic Development.

Entrepreneurship Education Training. The capacity of education agencies to provide technical assistance to small business owners and employees has been demonstrated by projects initiated through the Regional Education Centers for Economic Development. Since July 1985, the centers have implemented 60 training projects targeted to small businesses entrepreneurs, providing training to 4,000 owners and employees. This year $350,000 in State funding has been allocated by the Legislature for entrepreneurship activities. Funds are to be used for economics education training, entrepreneurial education training, establishment of an entrepreneurship center and creation of an enterprise challenge grant program.

Employment and Training Programs. Under the State Education Coordination and Grants program of the Job Training Partnership Act, approximately $10 million was made available for program year July 1, 1986 through June 30, 1987 for statewide coordination and for the delivery of education, training, and employment services to disadvantaged youth and adults. State Education Coordination and Grants Program funds provide basic skills education in preparation for employment, a structured transition to work experience, and employer-specific job training for hard-to-reach populations and dislocated workers. Approximately $6.3 million has been committed for basic skills training and school-to-work transition programs, $1.0 million for demonstration programs in Community Renewal Areas, $783,000 for School Business Alliance projects, $705,000 for employer-specific occupational training, $399,000 for the New York State Economic Development Zones Program and $350,000 for the Regional Education Centers for Economic Development. Over 10,000 persons received comprehensive training services under the

Coordination and Grants program from July 1984 to June 1985.

Tuition Assistance for Dislocated Workers. Approximately $2.0 million of Job Training Partnership Act Title III funds were set aside under Section 7 of the Occupational Retraining and Reemployment Act to provide tuition assistance of up to $1,500 to dislocated workers needing training. Training providers must be licensed or certified by the State Education Department, and offer approved nondegree training programs in occupations with favorable employment opportunities. Currently, there are 873 approved programs available at 120 different provider agencies, and 2,190 dislocated workers are receiving tuition assistance.

Apprentice Training. State Aid funding, amounting to $1.5 million, is available for 1986–87 for related or supplemental instruction for apprenticeship training in programs registered by the Department of Labor. Each county will designate a local education agency to provide programs leading to a journeyman's status. Funding will be based on the number of contact hours of apprenticeship related instruction. For school year 1986–87 it is estimated that this aid will amount to approximately $.58 per contact hour. These funds will support related instruction for approximately 20,000 apprentices.

Hiring Incentive Program for the Disabled. The State Education Department's Office of Vocational Rehabilitation (OVR) spends more than $6 million annually for vocational training of disabled workers. As a result, over 9,700 persons with disabilities are placed in jobs each year. OVR strengthens job opportunities for disabled individuals by training disabled workers for jobs in growth industries, working with insurance carriers and the Worker's Compensation Board to rehabilitate workers injured on the job, assisting the participation of disabled persons in Job Training Partnership Act programs, and by helping governmental agencies hire qualified disabled employees under Section 55a and 55b of the Civil Service Law. In addition, OVR is currently developing a Supported Work Program in cooperation with the Office of Mental Retardation and Developmental Disabilities to provide jobs in private corporations for disabled workers needing special support services on the job.

Community College Employee Training. Community colleges have accelerated their efforts to provide training and retraining for private-sector businesses. Recent changes in State law allow community colleges to contract with individual firms, labor unions, and nonprofit organizations to custom design firm-specific training. Approximately $3.1 million in State funds are available for such services in 1986–87.

IV. Strengthening the Education Foundation of Economic Development

The programs described are specifically geared to enhance economic development by directly addressing pressing occupational human resource needs of business and industry. There are other programs, however, that are not so obviously linked to economic development but perhaps go even deeper in their ability to enhance our collective capacity to contribute to the economy. The main thrust of these programs is to develop a trained group of students – youth and adults – that can function effectively within a rapidly changing economy. In line with this approach, the Regents Action Plan for Elementary and Secondary Education, together with State Aid to the Public Schools, signal New York State's intent to improve the quality of education. Both of these measures are based on the recognition that the long-term economic health of the State must be based on the development of a well trained work force. New York State is laying the foundation, from the earliest grades, for the continued development of a work force equipped to contribute to the economy.

In recognition of the fact that a sizable number of adults do not have the basic skills required of a self-supporting adult in contemporary society, the provision of basic language and computation skills have now become a standard mission of the educational system at all levels. Subsequently, these institutions have provided adults with job training to enable their entering or remaining in the work force.

The following actions of the Governor and the Legislature in support of educational programs, most of them included in State Aid to the schools, will significantly help educational institutions to train both youth and adults for our rapidly changing economy.

Teacher Salaries. The Excellence in Teaching Aid Program provides an estimated $95 million in funds of which $90.9 million is targeted to school districts and $4.5 million to BOCES for increases in teacher salaries. These funds which are available to school districts upon request must be distributed through separately negotiated salary agreements.

Mentor Teacher–Internship Program. State subsidies amounting to $4 million have been allocated to provide first-year probationary teachers with the support, guidance and leadership needed as they begin their careers. Funding will support 20 percent of a first year intern's salary and 10 percent of a mentor's salary.

Teacher Recruitment. The Empire State Mathematics and Science Scholarships for Teachers Program was enacted in 1984 and supported by an initial appropriation of $2.0 million. An amount of $3.0 million was appropriated for the second year of the program. This year the program has been renamed the Empire State Challenger Scholarships and Fellowships for Teachers. In the 1986–87 school year, $4 million will be used to attract teachers in science and mathematics and in other key fields where there is a teacher shortage.

Teacher Resource and Computer Training Centers. State funds have again been appropriated to support Teacher Resource and Computer Training Centers. These centers help to provide support services for teachers and to improve teacher competence in the application of computer technology. Funding for the 1986–87 school year has been increased by $4 million, bringing current funding for the centers from $6.0 million to $10 million. These centers have assisted in improving skills and competence of teachers and have been instrumental in fostering partnerships between schools and the business and industry community. Companies have provided computer equipment, software and consultation services.

Teacher Summer Business Training and Employment Programs. An appropriation of $4.4 million has been made for the Teacher Summer Business Training and Employment Program. The program, initially established in 1984, assists teachers of mathematics, science, computer science and occupational education to engage in summer work experiences that directly benefit their effectiveness as teachers. Funding provided through this program helps to pay for 30 percent of teachers wages, up to a maximum of $1,000 for summer work in business and industry. The program also supports the Employer Specific Skills Training Program which has had its funding increased by $2 million.

Scholarships of Excellence. The Empire State Scholarships of Excellence Program with an appropriation of $2.0 million recognizes talented New York State students and provides an incentive for their attendance at institutions of higher education within New York State. Scholarships amounting to $2,000 each will be provided to 1,000 students.

Regional Schools of Excellence. An appropriation of $750,000 was made available on a regional basis to school districts seeking to plan for the development of new regional schools of excellence. Such schools would seek to provide advanced or innovative programs in selected subject areas such as mathematics, science, technology or the arts.

Computer Literacy. Several appropriations have been made for the acquisition of computer hardware and software for all school districts during the 1986–87 school year. School districts will receive State aid for software purchases at the rate of $3.00 per enrolled pupil, providing an estimated $9.3 million on a statewide basis. An estimated $11.29 million is apportioned to districts for computer hardware. Computer services aid for the Big Five consists of approximately $15.8 million. These appropriations maintain the aid level established in the 1985–86 school year.

Employment Preparation Education Program. An emphasis on basic skills training is indispensable in efforts to enhance the employability of adults. With the enactment of the Employment Preparation Education (EPE) Program in 1984, $12.3 million in State aid was made available for literacy, basic skills, and high school equivalency programs. As a result of last year's increase in the EPE ceiling, from $3.30 to $3.50 an hour, a $3.5 million increase was made available to school districts for the 1985–86 school year. This year's increase from $3.50 to $3.80 per contact hour will result in approximately $14 million being available for literacy programs to serve approximately 20,000 persons.

Literacy Awareness Campaign. There has been a 50 percent increase in the number of adults enrolled in literacy programs statewide, with a 100 percent increase in New York City. In 1984–85, 133,327 adults were enrolled in literacy programs in New York State. By 1987 it is anticipated that this number will rise to 200,000. To increase access to literacy programs, a new toll-free number for literacy is being established in New York State. Individuals calling the number will be referred to literacy programs in their zip code area and will receive a follow-up letter. The toll free number is being established in conjunction with a joint public service campaign by the American Broadcasting Company and the Public Broadcasting Service called PLUS – Project Literacy U.S.

Literacy/Community Based Library Services. New aid amounting to $400,000 will provide grants to public library systems to help adults increase their literacy skills. Competitive grants of up to $20,000 are available for services to assist adults to read and comprehend the English language up to and including the sixth grade level. The literacy projects funded in public library systems and their member libraries must be coordinated with similar adult literacy programs operated by local public schools, colleges, or other organizations.

Welfare Education Program. The provision of special educational services is an essential component in strategies targeted at assisting public assistance recipients in achieving a level of literacy essential to employment. This year, $6 million, an increase of $1.5 million, is available to provide basic literacy education to out-of-school individuals who lack a high school diploma or its equivalent, are at least 16 years of age and are eligible for social services assistance.

Economic Curriculum. The economics syllabus to be implemented in the 1988–89 school year is intended to meet the mandate of the Board of Regents for a semester course in economics for students in grade 12. The course is designed to provide students with the knowledge and skills in economics that will enable them to function as informed and literate citizens in our society. The emphasis on rational decision-making in economic areas is intended to make students wiser consumers and better citizens.

Education for Cultural Understanding. With the growing realization that cultural understanding is a requisite for our economic prosperity, the Regents through the Action Plan increased course requirements in languages and international education in elementary and secondary programs. The Plan includes requirements for a total of two years of foreign language instruction in grades K-9 and for incorporating an international perspective into the curriculum of all subjects taught. The Education Department also participates in the World Trade Council, the Governor's advisory authority on State international trade and investment policy. The thrust of these activities is to further the State's efforts to increase international business development.

Attendance Improvement and Dropout Prevention Programs. State aid apportionments will again be available for the 1986–87 school year to provide funds for attendance improvement and dropout prevention programs. The formula provides for $37.1 million to be available to support attendance teachers, guidance counselors, work study opportunities, and alternative education classes in school districts having low attendance. Funds will also be used for services for pregnant teenagers, student parents, PINS (Persons In Need of Supervision) and homeless youth. Due to an increase in aid per pupil from $156 to $216, an additional $10 million will be available in the coming year.

Stay-In-School Partnership Higher Education Grant Program. A new competitive grant program, amounting to $1.5 million, was made available to colleges and universities for the development and implementa-

tion of student retention programs in school districts having high dropout and truancy rates. Grants will be available for five to ten Stay-In-School Partnership Programs that will plan and provide compensatory activities and support services for pupils having a high risk of truancy and academic failure.

Community Renewal Competitive Grants. Pursuant to a policy statement adopted by the Regents, $1.5 million has been targeted to support activities associated with establishing school-based community renewal service systems in economically distressed areas throughout the State. Of the $1.5 million, $1.0 million is available through the Job Training Partnership Act State Education and Employment Demonstrations Program and $500,000 through State local assistance funds for community renewal competitive grants. Such grants would target on projects in which schools cooperate with other human service providers in addressing social, physical and economic needs of economically distressed communities as a requisite for schools to perform successfully their educational roles and for the social and economic renewal of the community.

Science and Technology Entry Program. The Science and Technology Entry Program (STEP) was enacted in 1985 to assist minority and economically disadvantaged secondary school students in acquiring skills necessary to pursue pre-professional or professional education programs of study in scientific, technical, and health related fields. Funding for the 1985–86 school year amounted to $500,000 which provided partial-year support for 13 projects. Funds for 1986–87 amount to $1.65 million, thereby providing full-year support for 13 continuing and six new programs. An additional $200,000 was provided by a special legislative appropriation for STEP projects at the State University at Stony Brook, the City University College of Staten Island, and the State University at Binghamton.

Tuition Assistance. With an appropriation of $410.5 million for tuition assistance, an increase of $31.6 million over 1985–86, New York has taken a significant step in minimizing financial barriers to participation in postsecondary education. The increase in funds will enrich programs at the graduate and undergraduate levels.

Community College Aid. State funds for regular operating aid and specific programs at the community colleges amount to $272.8 million for school year 1986–87, an increase of $15.0 million over 1985–86 fund-

ing. Of this amount, approximately $9.4 million is available for increases in the operating aid formula; $2.8 million for youth internships; and $1.5 million for a new program of instructional equipment acquisitions.

Education Information Centers. The Legislature has appropriated $450,000 in fiscal year 1986, an increase of $50,000 over 1985, to maintain the seven existing Education Information Centers. These centers, located in public libraries, help extend access to adult learners by providing free, individualized career and educational counseling services. In addition, the College Curriculum Information Service, a separate college information service provided by the State Education Department, last year participated in college nights and education fairs around the State serving 56,000 students. Using high-speed computer searches, this free service helps students locate their chosen field of study, taking into account their individual preferences as to kind of school, level of study, geographic area, and appropriate professional license or teacher certification area.

School and Business Alliance. Under the Governor's leadership, the School and Business Alliance has been established to unite public schools and the private sector in improving high school graduation rates and the employability skills of youth. The State Budget allocated $1.0 million to fund educational and employment opportunity projects to be developed by local school districts and businesses under the Alliance. During the 1986–87 school year, nine school districts having serious dropout and attendance problems will participate in the first year of the program.

School Business Partnerships. The Business Council of New York State and the State Education Department are currently involved in promoting business and education partnerships at the local level. Schools and businesses in over a hundred communities have established different kinds of partnerships such as Adopt-a-School, Executive in Residence and Internship Programs. The Council and the Department will continue to disseminate information about existing partnerships and on how to develop programs appropriate for a company's goals and resources.

Vocational Education Equipment Aid. New formula state aid approximating $3.3 million has been made available for equipment acquisition for vocational education programs in school districts and BOCES. In addition, two percent of the Special Services Aid provided to the Big Five City school districts, or approximately $1.0 million, must now be used for vocational education equipment.

Equipment Matching Funds Program. In support of community college vocational programs, $1.0 million in State funds was made available to the State University of New York and $500,000 to the City University of New York for an equipment matching funds program.

These actions by the Governor and the Legislature are important developments in helping to improve the quality of education and its role in support of economic development. The amounts involved are modest in comparison with the entire State aid allocation; however, the purposes to which they are directed are strategically defined to compensate for limiting factors and to drive other funds to increase productivity. Although our education institutions have many successful programs which enhance business-school partnerships in education, the demands of the State's economy will require expansion and additions to these programs to fully develop the State's human resources.

V. Next Steps

During this year through June 1987, the State Education Department will collaborate with the Governor's Office in preparing the State's Economic Development Program. As in the past, the Education Department's report will be responsive to specific components of the Governor's economic development program as requested: new and small business; minority and women business enterprises; distressed areas; and labor force development. The Regents Task Force on Education and Economic Development will review these reports in late 1986.

The Board of Regents and the Business Council of New York State will develop for the fifth year a joint agenda, including legislative recommendations, for improving the contribution of education to the economy. As the entity that represents the needs of all New York business – including 3,500 member companies, over 200 Chambers of Commerce, all the Small Business Councils, the Economic Development Councils, associations and institutions – the Business Council is uniquely qualified to represent the business perspective to the education community with a view to seeking a better economic climate for New York State. The Business Council and the Education Department will continue to work together in advancing school-business partnerships throughout the State.

In furtherance of the Regents efforts to link education with business and economic development, the Regents policy statements on educa-

tion and economic development will be revised to reflect recent transformations occurring in the economy and the impact of recently established programs. The Task Force will continue to review the implementation of specific actions and initiatives proposed in the policy statement. The 1987 Task Force agenda provides for the continuation of an analysis of school district expenditures within New York State; of the conditions of children living in poverty; and of the growth of an aging population within the context of our social and economic realities.

As part of its policy development responsibility, the Regents Task Force on Education and Economic Development will seek to develop model programs that target resources to communities located in economically distressed areas such as the Community Renewal projects, the Governor's School-Business Alliance and the New York State Economic Development Zones Program. Addressing the social and economic needs of these communities is a requisite for schools to perform successfully their educational roles and to make employment strategies feasible in these communities.

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